VAN BUREN COUNTY E-911 EMERGENCY COMMUNICATIONS DISTRICT
JUNE 30, 2014

TAMARA L. BECKMAN
CERTIFIED PUBLIC ACCOUNTANT

VAN BUREN COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Van Buren County E-911 Emergency Communications District
Spencer, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of Van Buren County E-911 Emergency Communications District, a component unit of Van Buren County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Van Buren County E-911 Emergency Communications District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Van Buren County E-911 Emergency Communications District, a component unit of Van Buren County, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historic context. The auditor's opinion on the basic financial statements is not affected by this missing information.

I have applied certain limited procedures to the Schedule of Funding Progress on page 13 in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Van Buren County Emergency Communications District's basic financial statements. The Budget and Actual schedule and the schedule of 911 Board Members on pages 14-16 are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Budget and Actual schedule and the schedule of 911 Board Members are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Budget and Actual schedule and the schedule of 911 Board Members are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 3, 2014 on my consideration of Van Buren County E-911 Emergency Communications District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Van Buren County E-911 Emergency Communications District's internal control over financial reporting and compliance.

September 3, 2014
Cookeville, Tennessee

Tamara L. Beckman, CPA

VAN BUREN COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 135,297.99	
Accounts Receivable	5,133.59	
Due from TECB	2,361.15	
Prepaid Expenses	3,857.23	
Total Current Assets		$ 146,649.96
Non-Current Assets		
Land	60,000.00	
Building & Improvements	380,177.28	
Less: A/D-Building & Improvements	(76,004.31)	
Furniture & Fixtures	22,494.00	
Less: A/D-Furniture & Fixtures	(13,479.73)	
Office Equipment	2,750.00	
Less: A/D-Office Equipment	(2,200.00)	
Communications Equipment	524,516.84	
Less: A/D-Communications Equipment	(180,354.64)	
Total Non-Current Assets		717,899.44
Total Assets		864,549.40
LIABILITIES & NET POSITION		
Current Liabilities		
Accounts Payable	741.17	
Total Current Liabilities		741.17
Net Position		
Investment in Capital Assets	717,899.44	
Unrestricted Net Position	145,908.79	
Total Net Position		$ 863,808.23

The accompanying notes are in integral part of the financial statements

VAN BUREN COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

Operating Revenues			
Emergency Telephone Service Charges		$ 49,739.60	
State – Wireless Charges		14,166.91	
State – Operational Funding Program		124,182.00	
Total Operating Revenue			$ 188,088.51
Operating Expense			
Salaries & Wages			
Director Salary	$ 33,014.54		
Dispatcher Salary	163,035.64		
Total Salaries & Wages		196,050.18	
Employee Benefits			
Social Security	14,507.11		
Medicare	2,843.22		
Medical Insurance	8,939.25		
Unemployment	1,406.32		
Retirement	6,037.01		
Total Employee Benefits		33,732.91	
Contracted Services			
Audit Services	2,300.00		
Legal Services	3,629.34		
Maintenance Agreements	9,300.00		
NCIC/TBI/TIES Expense	1,440.00		
Pest Control	480.00		
R&M-Communications Equipment	4,317.72		
R&M-Building	2,572.59		
R&M-Vehicles	263.89		
Fuel	602.00		
Other	2,892.99		
Total Contracted Services		27,798.53	
Supplies & Materials			
Office Supplies	1,860.38		
Custodial Supplies	547.65		
Postage	165.23		
Small Equipment Purchases	349.00		
Uniforms	378.11		

The Accompanying notes are in integral part of the financial statements

Utilities			
Electric	6,684.42		
Gas	1,997.90		
Water & Sewage	388.65		
General Telephone	8,765.65		
Total Supplies & Materials		21,136.99	
Other Charges			
Board Meeting Expense	350.00		
Dues & Memberships	100.00		
Insurance			
Worker's Compensation	687.27		
Liability	3,265.43		
Building	7,868.50		
Equipment	1,056.64		
Vehicle	1,412.23		
Licenses	51.00		
Premium on Surety Bonds	834.70		
Public Education	1,171.79		
Training Expenses	715.68		
Travel Expenses	60.00		
Total Other Charges		17,573.24	
Depreciation		86,484.02	
Total Expenses			382,775.87
Net Operating Loss			(194,687.36)
Non-Operating Revenue and (Expense)			
Interest Income		287.63	
State – Grants & Reimbursements		235,850.21	
Contributions from Primary Government		51,700.00	
Contributions from Other Government		28,500.00	
Total Non-Operating Revenue & Expense			316,337.84
Net Increase in Net Position			121,650.48
Total Net Position, July 1, 2013			742,157.75
Total Net Position, June 30, 2014			$ 863,808.23

The Accompanying notes are in integral part of the financial statements

VAN BUREN COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2014

Cash Flows From Operating Activities		
Cash Received from Operations	$ 187,082.67	
Cash Payments for Goods and Services	(64,498.35)	
Cash Payments to/for Employees	(229,783.09)	
Net Cash Used by Operating Activities		$ (107,198.77)
Cash Flows From Capital & Related Financing Activites		
Acquisition of New Assets	(180,877.29)	
Net Cash Used by Capital & Related Financing Activities		(180,877.29)
Cash Flows from Non-Capital Financing Activities		
State ECB Grant Received	235,850.21	
Contributions from Primary Government	51,700.00	
Contributions from Other Governments	28,500.00	
Net Cash Provided by Non-Capital Financing Activities		316,050.21
Cash Flows from Investing Activities		
Interest Received		287.63
Net Increase in Cash and Cash Equivalents		28,261.78
Cash and Cash Equivalent at 6-30-13		107,036.21
Cash and Cash Equivalent at 6-30-14		$ 135,297.99

Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Net Operating Loss	$ (194,687.36)	
Other Non-Operating Revenue	-	
Depreciation	86,484.02	
Increase in Accounts Receivable	(970.44)	
Increase in Due from State ECB	(35.40)	
Decrease in Prepaid Expense	1,999.77	
Increase in Accounts Payable	10.64	
Net Cash Used by Operating Activities		$ (107,198.77)

The Accompanying notes are in integral part of the financial statements

VAN BUREN COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 – Summary of Significant Accounting Policies

The Van Buren County E-911 Emergency Communication District was established for the purpose of providing an enhanced level of 911 services to the Van Buren County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Van Buren County. The Van Buren County E-911 Emergency Communications District is run by a board of directors, which is appointed by Van Buren County. The District must file a budget with Van Buren County each year. Any bond issued by the district is subject to approval by Van Buren County.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis of accounting when the exchange takes place. Nonexchange transactions, in which the District receives value without directly giving value, in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. On an accrual basis, expenses are recognized at the time they are incurred. The District also uses the economic resources measurement focus.

Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives. Depreciation begins when the fixed assets are placed in service. Any capital assets purchased over $10,000 are capitalized. Depreciation is summarized as follows:

	Method	Estimated Useful Life	2014 Depreciation
Land	--	--	$ --
Building & Improvements	S/L	40 Years	12,072.40
Furniture & Fixtures	S/L	10 Years	2,249.40
Office Equipment	S/L	5-10 Years	550.00
Communications Equipment	S/L	5-10 Years	71,612.22
			$86,484.02

Major Source of Revenue

The major source of operating revenue is emergency telephone, wireless surcharges and Operational Funding from Tennessee Emergency Communications Board (TECB). Non-operating revenue consists of grants given by the TECB, contributions from Van Buren County and the City of Spencer and miscellaneous income.

Net Position

Net position present the difference between assets and liabilities in the statement of net position.

Investment in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

Note 2 – Cash and cash investments

The Tennessee Government Code requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105% of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

The following is a schedule of bank accounts at June 30, 2014:

Operating Checking – Citizens Bank	$ 85,189.65
Savings – Citizens Bank	50,108.34
Total	$135,297.99

At June 30, 2014, the carrying amount of the Van Buren County E – 911 Emergency Communications District's cash deposits was $135,297.99. The District's deposit accounts are covered up to $250,000 by the Federal Deposit Insurance Corporation. The District is authorized to deposit and invest funds according to the provisions of Section 5-8-301 of the Tennessee Code Annotated. [Acts 1992, ch. 891, section 10].

Note 3 – Bonding

Van Buren County E-911 Emergency Communications District has a bond covering certain members of the board at June 30, 2014. The District also has insurance covering liability, building and contents. There have been no losses or settlements that exceeded coverage during the past three years.

Note 4 – Capital Assets

The following is a schedule of equipment at June 30, 2014:

Assets	Cost 6/30/2014	Accumulated Depreciation	Book Value 6/30/2014
Non-Depreciable			
Land	$ 60,000.00	$ -	$ 60,000.00
Depreciable			
Bldg. & Improvements	$ 380,177.28	$ 76,004.31	$ 316,245.37
Furniture & Fixtures	22,494.00	13,479.73	11,263.67
Office Equipment	2,750.00	2,200.00	1,100.00
Communications Equip.	524,516.84	180,354.64	23,497.13
Total Depreciable	929,938.12	272,038.68	657,899.44
Total	$ 989,938.12	$ 272,038.68	$ 717,899.44

Assets	Balance 6/30/2013	Additions	Disposals	Balance 6/30/2014
Non-Depreciable				
Land	$ 60,000.00	$ -	$ -	$ 60,000.00
Depreciable				
Bldg. & Improvements	$ 380,177.28	$ -	$ -	$ 380,177.28
Furniture & Fixtures	22,494.00	-	-	22,494.00
Office Equipment	2,750.00	-	-	2,750.00
Communications Equip.	343,639.55	180,877.29	-	524,516.84
Total Depreciable	749,060.83	180,877.29	-	929,938.12
Total	$ 809,060.83	$ 180,877.29	$ -	$ 989,938.12

Note 5 – Cash and cash equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

Note 6 – Accounts Receivable/Due from State

The amounts due to the District from the wireless charges and TECB include the following:

Ben Lomand	$ 3,136.79
Bledsoe Telephone	1,996.80
Subtotal	5,133.59
State of Tennessee-ECB Wireless	2,361.15
Total	$ 7,494.74

Note 7 – Compensated Absences

There were no compensated absences for June 30, 2014.

Note 8 – Calculation of Investment in Capital Assets

Net Book Value	$717,899.44
Current and Non-Current Debt	< -0- >
Investment in Capital Assets	$717,899.44

Note 9 – Budgetary Information

As stated in Note 1, the District must file a budget with Van Buren County each year. The budget is prepared on the accrual basis of accounting. Compliance with the budget is required at the line item level.

Note 10 – Pension Plan

June 30, 2014 information was not available as of September 3, 2014, which is the date in which the audit was completed.

Plan Description

Employees of Van Buren County E911 are members of the Political Subdivision Pension Plan (PSPP), and agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 year of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Van Buren County E911 participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at http://www.tn.gov/treasury/tcrs/PS/.

Funding Policy

Van Buren County E911 requires employees to contribute 5.0 percent of earnable compensation. Van Buren County E911 is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013 was 5.53% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Van Buren County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2013, Van Buren County E911's annual pension cost of $4,422 to TCRS was equal to Van Buren County E911's required and actual contributions. The required contribution was determined as part of the July 1, 2011 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 3.0 percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (d) projected 3.5 percent annual increase in the Social Security wage base.

The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Van Buren County Emergency Communications District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011 was 11 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ending	Annual Pension Cost(APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2013	$4,422	100.00%	$0.00
June 30, 2012	4,134	100.00%	0.00
June 30, 2011	4,303	100.00%	0.00

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 77.44% funded. The actuarial accrued liability for benefits was $0.06 million, and the actuarial value of assets was $0.05 million, resulting in an unfunded actuarial accrued liability (UAAL) of $0.01 million. The covered payroll (annual payroll of active employees covered by the plan) was $0.07 million, and the ratio of the UAAL to the covered payroll was 19.39%.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/(c)]
July 1, 2011	$49	$64	$14	77.44%	$74	19.39%

Note 12 – Subsequent Events

The District evaluated subsequent events through September 3, 2014, the date in which the financial statements were available to be issued.

VAN BUREN COUNTY E-911 EMERGENCY COMMUNICATIONS DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2014

VAN BUREN COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/(c)]
July 1, 2011	$49	$64	$14	77.44%	$74	19.39%
July 1, 2009	$25	$39	$13	65.30%	$91	14.74%
July 1, 2007	$15	$30	$15	50.00%	$30	26.79%

VAN BUREN COUNTY E-911 EMERGENCY COMMUNICATIONS DISTRICT

SUPPLEMENTARY INFORMATION

JUNE 30, 2014

VAN BUREN COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Actual (Accrual Basis)	Budget (Accrual Basis)	Variance Under (Over)
Operating Revenues			
Emergency Telephone Service Charges	$ 49,739.60	$ 48,769.00	$ 970.60
State-Shared Wireless Charges	14,166.91	14,132.00	34.91
State-Operational Funding Program	124,182.00	124,182.00	-
Total Revenue	$ 188,088.51	$ 187,083.00	$ 1,005.51
Operating Expenses			
Salaries & Wages			
Director	$ 33,014.54	$ 33,015.00	$ 0.46
Dispatchers	163,035.64	163,069.00	33.36
Total Salaries & Wages	$ 196,050.18	$ 196,084.00	$ 33.82
Employee Benefits			
Social Security Tax	14,507.11	12,157.00	(2,350.11)
Medicare Tax	2,843.22	2,843.00	(0.22)
Medical Insurance	8,939.25	8,937.00	(2.25)
Unemployment	1,406.32	1,793.00	386.68
Retirement Contributions	6,037.01	4,074.00	(1,963.01)
Total Employee Benefits	$ 33,732.91	$ 29,804.00	$ (3,928.91)
Contracted Services			
Addressing/Mapping	-	-	-
Audit Services	2,300.00	2,000.00	(300.00)
Accounting Services	-	-	-
Legal Services	3,629.34	3,600.00	(29.34)
Maintenance Agreements	9,300.00	-	(9,300.00)
NCIC/TBI/TIES Expense	1,440.00	30.00	(1,410.00)
Pest Control	480.00	480.00	-
Maintenance & Repairs			
Communication Equipment	4,317.72	4,318.00	0.28
Building & Facilities	2,572.59	2,573.00	0.41
Vehicles	263.89	264.00	0.11
Fuel	602.00	602.00	-
Other Contracted Services	2,892.99	183,770.00	180,877.01
Total Contracted Services	$ 27,798.53	$ 197,637.00	$ 169,838.47
Supplies & Materials			
Office Supplies	$ 1,860.38	$ 1,860.00	$ (0.38)
Custodial Supplies	547.65	548.00	0.35
Postage	165.23	165.00	(0.23)
Small Equipment Purchases	349.00	349.00	-
Uniforms	378.11	378.00	(0.11)

VAN BUREN COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
BUDGET AND ACTUAL (CONT'D)
FOR THE YEAR ENDED JUNE 30, 2014

Utilities			
Electric	6,684.42	6,684.00	(0.42)
Gas	1,997.90	1,998.00	0.10
Water	388.65	389.00	0.35
General Telephone	8,765.65	9,145.00	379.35
Total Supplies & Materials	$ 21,136.99	$ 21,516.00	$ 379.01
Other Charges			
Board Meeting Expense	350.00	350.00	-
Dues & Memberships	100.00	100.00	-
Employee Testing	-	-	-
Insurance-Worker's Compensation	687.27	661.00	(26.27)
Insurance-Liability	3,265.43	2,199.00	(1,066.43)
Insurance-Building	7,868.50	6,760.00	(1,108.50)
Insurance-Equipment	1,056.64	1,679.00	622.36
Insurance-Vehicle	1,412.23	1,106.00	(306.23)
Licenses	51.00	51.00	-
Premiums on Surety Bonds	834.70	500.00	(334.70)
Public Education	1,171.79	1,172.00	0.21
Training Expenses	715.68	716.00	0.32
Travel Expenses	60.00	60.00	-
Other	-	-	-
Total Other Charges	$ 17,573.24	$ 15,354.00	$ (2,219.24)
Depreciation	$ 86,484.02	$ -	$ (86,484.02)
Total Operating Expenses	$ 382,775.87	$ 460,395.00	$ 77,619.13
Operating Income (Loss)	$ (194,687.36)	$ (273,312.00)	$ 78,624.64
Non-Operating Revenue and (Expense)			
Interest Income	287.63	288.00	(0.37)
Contributions from Primary Govts	51,700.00	51,700.00	-
Contributions from Other Govts	28,500.00	28,500.00	-
State – Grants & Reimbursements	235,850.21	235,856.00	(5.79)
Total Non-Operating Revenue & Expense	$ 316,337.84	$ 316,344.00	$ (6.16)
Increase in Net Position	$ 121,650.48	$ 43,032.00	$ 78,618.48
Total Net Position, July 1, 2013	742,157.75	742,157.75	-
Total Net Position, June 30, 2014	$ 863,808.23	$ 785,189.75	$ 78,618.48

VAN BUREN COUNTY E – 911
EMERGENCY COMMUNICATIONS DISTRICT
911 BOARD MEMBERS
JUNE 30, 2014

Brian Bricker, Chairman
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Spencer, TN 38585
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the
Van Buren County E-911 Emergency Communications District
Spencer, Tennessee

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Van Buren County E-911 Emergency Communications District, a component unit of Van Buren County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued my report thereon date September 3, 2014.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Van Buren County E-911 Emergency Communications District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Van Buren County E-911 Emergency Communications District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. These are described as: 2014-1 & 2014-2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Van Buren County E-911 Emergency Communications District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and recommendations as items: 2014-1 & 2014-2

Response to Findings

Van Buren County E-911 Emergency Communications District's responses to the findings identified in my audit are described in the accompanying schedule of findings and recommendations. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 3, 2014
Cookeville, Tennessee

Tamara L. Beckman, CPA

VAN BUREN COUNTY E-911
EMERGENCY COMMUNICATIONS DISTRICT
AUDIT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2014

Prior Year Findings:
Finding 2013-2 from the prior year has been corrected.

2014-1: Budget

Condition & Criteria: The District is required to maintain expenditures within budget amounts. Budget line items were over expended.

Effect: The District has made expenditures in excess of the amounts budgeted.

Cause: The District had a few accounts with expenditures in excess of the budgeted amounts and one account with no amount budgeted at all.

Recommendation: We recommend the District maintain the approved budget to ensure expenditures remain within budget. The Board should ensure that all expenses are appropriated for in the annual budget.

Management Response: The Van Buren County E-911 will maintain an up to date approved budget and that all expenses will be appropriated to the correct account.